

Recording Requested by and
When Recorded Return To:
Lorin Farr L.C.
132 South 600 East
Salt Lake City, Utah 84102
Attention: Mark B. Cohen

DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
LORIN FARR HOMEOWNERS' ASSOCIATION,
A Utah Non-Profit Corporation
and Cooperative Association

E# 1319706 BK1736 PG2364
DOUG CROFTS, WEBER COUNTY RECORDER
03-NOV-94 251 PM FEE \$.00 DEP MH
REC FOR: LORIN.FARR..L.C.

PLATTED VERIFIED
INDEXED MICROFILMED

**DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
LORIN FARR HOMEOWNERS ASSOCIATION,
A Utah Non-Profit Corporation and Cooperative Association**

Table of Contents

	<u>Page</u>
R E C I T A L S	1
I	
DEFINITIONS	2
Section 1. Architectural Committee	2
Section 2. Association	2
Section 3. Board of Directors	2
Section 4. County	2
Section 5. Declarant	2
Section 6. Declaration	2
Section 7. Improvement	2
Section 8. Institutional Holder	2
Section 9. Lot	2
Section 10. Member	3
Section 11. Mortgage	3
Section 12. Owner	3
Section 13. Properties	3
Section 14. Reimbursement Assessment	3
II	
NATURE AND PURPOSE OF COVENANTS	3
III	
USE RESTRICTIONS	3
Section 1. Single Family Residence	4
Section 2. Business or Commercial Activity	4
Section 3. Nuisances	4
Section 4. Signs	4
Section 5. Parking and Vehicular Restrictions	5
Section 6. Animal Restrictions	5
Section 7. Trash	5
Section 8. Temporary Buildings	6
Section 9. Outside Installations	6
Section 10. Insurance Rates	6
Section 11. Drilling	6
Section 12. Drainage	6
Section 13. Violation of Governing Instruments	6
Section 14. Construction by Declarant	7
IV	
MEMBERSHIP AND VOTING RIGHTS	7
Section 1. Organization	7
Section 2. Membership	7

	Section 3. Voting Rights	8
	Section 4. Two Classes of Memberships	8
	Section 5. Vesting of Voting Rights	8
V	COVENANT FOR MAINTENANCE ASSESSMENTS	8
	Section 1. Covenant to Pay Assessment	8
	Section 2. Purpose of Assessments	9
	Section 3. Amount of Annual Assessments	9
	Section 4. Special Assessments for Capital Improvement	9
	Section 5. Emergency Assessment	10
	Section 6. Reimbursement Assessments	10
	Section 7. Notice and Quorum for Meetings Called Under Sections 3 and 4	10
	Section 8. Uniform Rate of Assessment	10
	Section 9. Date of Commencement of Annual Assessments: Due Dates	10
	Section 10. Exemption from Annual Assessments	11
	Section 11. Certification of Payment	11
	Section 12. Reserves	11
	Section 13. Effect of Nonpayment of Assessments; Remedies of the Association	11
	Section 14. Subordination to Certain Trust Deeds	14
	Section 15. Exempt Property	14
	Section 16. Enforcement of Reimbursement Liens	15
	Section 17. Delivery by Owner	15
	Section 18. Delivery of Statement by Board	15
	Section 19. Water Assessments	15
VI	DUTIES AND POWERS OF THE ASSOCIATION	15
	Section 1. General Powers of the Association	15
	Section 2. Contracts of the Association	16
	Section 3. General Duties of Association	16
	Section 4. Restrictions on Power of the Board	17
	Section 5. Limitation on Board Authority to Contract	17
	Section 6. Association Rules	18
	Section 7. Entry Onto Lots	18
VII	INSURANCE	18
	Section 1. Types	18
	Section 2. Waiver by Members	19
	Section 3. Other Insurance; Annual Review	19
	Section 4. Premiums and Proceeds	19
	Section 5. Payment of Taxes or Premiums by Institutional Holders of First Mortgages	20
VIII	EMINENT DOMAIN	20
IX		

	ARCHITECTURAL CONTROL	20
Section 1.	Members of Committee	20
Section 2.	Review of Plans and Specifications	21
Section 3.	Meetings of the Architectural Committee	22
Section 4.	No Waiver of Future Approvals	22
Section 5.	Compensation of Members	22
Section 6.	Inspection of Work	22
Section 7.	Nonliability of Architectural Committee Members	23
Section 8.	Nonapplicability to Declarant	24
Section 9.	Variance	24
Section 10.	Appeal	24
X	NOTICES	25
XI	RIGHTS OF LENDERS	25
Section 1.	Notice to Institutional Holders of Default	25
Section 2.	Assessments on Foreclosure	25
Section 3.	Right of First Refusal	25
Section 4.	Rights of Institutional Holders	26
Section 5.	Payment of Taxes and Insurance Premiums	26
Section 6.	Priority on Distribution of Proceeds	26
Section 7.	Notice of Destruction or Taking	27
Section 8.	Insurance	27
Section 9.	Mortgage Protection Clause	27
Section 10.	Conflicts	27
Section 11.	Third-Party Beneficiary Rights of Ogden City Redevelopment Agency	27
XII	ENFORCEMENT OF BONDED OBLIGATIONS	28
XIII	EASEMENTS AND OWNERS' PROPERTY RIGHTS	28
Section 1.	Waiver of Use	28
Section 2.	Owners Rights and Duties: Utilities	28
Section 3.	Repair and Maintenance of the Lots by Owners	29
Section 4.	Party Fences	29
Section 5.	Creation of Easements	29
XIV	FINANCIAL REPORTS	29
Section 1.	Budgets and Financial Statements	29
Section 2.	Certification of Report	30
Section 3.	Quarterly Reconciliation and Review	31
Section 4.	Reserve Fund Withdrawal	31
Section 5.	Policies on Remedies	31

XV

	GENERAL PROVISIONS	31
Section 1.	Enforcement	31
Section 2.	Severability	31
Section 3.	Term	31
Section 4.	Amendments	32
Section 5.	Nonliability of Officials	32
Section 6.	Construction	32
Section 7.	Singular Includes Plural	32
Section 8.	Nuisance	32
Section 9.	Conflicts	33
Section 10.	Attorneys' Fees	33
Section 11.	The Declaration	33

XVI

	EXHIBITS	
Exhibit A	34

**DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
LORIN FARR HOMEOWNERS' ASSOCIATION,
A Utah Non-Profit Corporation and Cooperative Association**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is made as of August 1, 1994 (the "Effective Date"), by LORIN FARR, L.C., a Utah limited liability corporation ("Declarant").

R E C I T A L S:

A. Declarant is the owner of the Properties. Declarant has deemed it desirable to impose a general plan for the improvement and development of the Properties and the adoption of covenants, conditions and restrictions upon the Properties upon the use, occupancy and enjoyment thereof, all for the purpose of enhancing and protecting the value, desirability and attractiveness of the Properties.

C. Declarant has deemed it desirable to create the Association to administer and enforce these covenants, conditions and restrictions and collecting and disbursing funds pursuant to the assessment and charges hereinafter created.

E. Declarant hereby declares that all of the Properties shall be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied and improved subject to the this Declaration for the purpose of uniformly enhancing and protecting the value, attractiveness and desirability of the Properties. The covenants, conditions, restrictions, reservations, easements and equitable servitudes set forth herein shall run with the Properties and shall be binding upon all persons having any right, title or interest in the Properties, or any part thereof, their heirs, successors and assigns; shall inure to the benefit of every portion of the Properties and any interest therein; and shall inure to the benefit of and be binding upon Declarant, each Owner and their respective heirs, executors and administrators; and may be enforced by Declarant, by any Owner or by the Association.

F. The Properties constitute a diminimus planned unit development (PUD) which will consist of approximately five (5) acres. The Declarant intends to develop on the Properties approximately 24 single family residential homes.

I
DEFINITIONS

Section 1. Architectural Committee. The term "Architectural Committee" shall mean the Committee created pursuant to the article of this Declaration entitled "Architectural Control".

Section 2. Association. The term "Association" as used herein shall mean the LORIN FARR HOMEOWNERS' ASSOCIATION, a nonprofit corporation formed under the Cooperative Association Act, its successors and assigns.

Section 3. Board of Directors. The term "Board of Directors" or "Board" as used herein shall mean the duly elected Board of Directors of the Association.

Section 4. County. The term "County" as used herein shall mean Weber County, Utah.

Section 5. Declarant. The term the "Declarant" as used herein shall mean LORIN FARR, L.C., a Utah limited liability corporation, its successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 6. Declaration. The term "Covenants" and/or "Declaration" as used herein shall mean collectively the covenants, conditions, restrictions, reservations, easements, liens and charges imposed by or expressed in this Declaration.

Section 7. Improvement. The term "Improvement" as used herein shall mean any structure or appurtenance thereto of every type, including but not limited to buildings, walkways, sprinkler pipes, garages, room additions, patio covers, swimming pools, spas, recreational facilities, roads, driveways, parking areas, fences, screening walls, retaining walls, stairs, decks, landscaping, antenna, edges, windbreaks, plantings, planted trees and shrubs, poles, signs, exterior air conditioning and water softening fixtures or equipment.

Section 8. Institutional Holder. The term "Institutional Holder" as used herein shall mean any holder (beneficiary) of a first deed of trust which encumbers a Lot, which holder is a bank or savings and loan association or established mortgage company, or other entity chartered under federal or state laws, any corporation or insurance company, or any federal or state agency.

Section 9. Lot. The term "Lot" as used herein shall mean any numbered plot of land shown upon any recorded subdivision map of the Properties (with the exception of the public streets or alleys).

Section 10. Member. The term "Member" shall mean those persons entitled to membership in the Association as provided in this Declaration and in the Association Articles of Incorporation and Bylaws.

Section 11. Mortgage. The term "Mortgage" as used herein shall mean any duly recorded and valid mortgage or deed of trust encumbering a Lot.

Section 12. Owner. The term "Owner" as used herein shall mean the record Owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract purchasers, but excluding those having such interest merely as security for the performance of an obligation.

Section 13. Properties. The term "Properties" and/or "Property" as used herein shall mean that certain real property in Ogden City, Weber County, Utah, as more fully described in Exhibit "A" attached hereto.

Section 14. Reimbursement Assessment. The term "Reimbursement Assessment" as used herein shall mean a charge against each Owner and that Owner's Lot for the purpose of reimbursing the Association for any costs incurred by the Association on behalf of an individual Owner. A reimbursement assessment may also be levied by the Association for purposes of collecting any monetary penalties which may be imposed by the Association against an Owner who fails to comply with provisions of this Declaration, the determinations of the Board or the Architectural Committee, or any rule or regulation adopted by the Association.

II

NATURE AND PURPOSE OF COVENANTS

The covenants, conditions and restrictions set forth in this Declaration constitute a general scheme for the development, protection and maintenance of the Properties to enhance the value, desirability and attractiveness of the Lots for the benefit of all Owners. These covenants, conditions and restrictions are imposed upon Declarant and all Owners. These covenants, conditions and restrictions shall be a burden upon and a benefit to not only the original Owner of each Lot, but also that Owner's successors and assigns. All such covenants, conditions and restrictions are intended as and are hereby declared to be covenants running with the land or equitable servitudes upon the land, as the case may be.

III

USE RESTRICTIONS

All real property within the Properties shall be held, used and enjoyed subject to the following limitations and restrictions.

Section 1. Single Family Residence. Each Lot shall be used as a residence for a single family and for no other purpose.

Section 2. Business or Commercial Activity, Rental. No part of the Properties shall ever be used or caused to be used or allowed or authorized in any way, directly or indirectly, for any business, nightly rental or other such non-residential purposes; except Declarant, its successors or assigns, may use any portion of the Properties for a model home site, and display and sales office during the construction and sales period. The provisions of this Section shall not preclude professional and administrative occupations without external evidence thereof, for so long as such occupations are in conformance with all applicable governmental ordinances and are merely incidental to the use of the dwelling unit as a residential home.

Owners of immediate purchase Properties shall be restricted from rental or lease of Properties for a period of fifteen (15) years. A breach under this Section shall result in foreclosure against the Property held by the violating owner by Declarant with first rights of refusal by the Ogden City Redevelopment Agency.

Section 3. Nuisances. No noxious or offensive activity (including but not limited to the repair of motor vehicles) shall be carried on, in or upon any Lot, nor shall anything be done therein which may be or become an unreasonable annoyance or a nuisance to any other Owner. Without limiting the generality of the foregoing provisions, no loud noises or noxious odors, no exterior speakers, horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes), noisy or smokey vehicles, large power equipment or large power tools or items which may unreasonably interfere with television or radio reception of any Owner in the Properties, shall be located, used or placed on any portion of the Properties, or exposed to the view of other Owners without the prior written approval of the Architectural Committee. The Board of Directors shall have the right to determine if any noise, odor, interference or activity producing such noise, odor or interference constitutes a nuisance.

Section 4. Signs. No sign, poster, display, billboard or other advertising device of any kind shall be displayed to the public view on any portion of the Properties or any Lot, without the prior written consent of the Architectural Committee, except for the following: (i) one sign for each dwelling unit, of not more than six (6) square feet, plain block letters, advertising the dwelling unit for sale or rent, or (ii) signs, regardless of size or number, used by Declarant, its successors or assigns, to advertise the Properties during construction and sale period. All signs or billboards and the conditions promulgated for the

regulation thereof shall conform to the requirements of all applicable governmental ordinances.

Section 5. Parking and Vehicular Restrictions. No Owner shall park, store or keep any vehicle, except wholly within the parking area designated therefor, and any inoperable vehicle shall be stored only in enclosed garages. No Owner shall park, store or keep on any property or street (public or private) within the Properties any large commercial-type vehicle (including, but not limited to, any dump truck, cement mixer truck, oil or gas truck or delivery truck), any recreational vehicle (including, but not limited to, any camper unit, motor home), any bus, trailer, trailer coach, camp trailer, boat, aircraft, mobile home, inoperable vehicle or any other similar vehicle or any vehicular equipment, mobile or otherwise, deemed to be a nuisance by the Board, upon any unenclosed parking space, so as to be visible from anywhere in the Properties. The above excludes camper trucks and similar vehicles up to and including three-quarter (3/4) ton when used for everyday-type transportation and subject to approval by the Board. No Owner of a Lot shall conduct repairs or restorations of any motor vehicle, boat, trailer, aircraft or other vehicle upon any portion of any Lot, except wholly within the Owner's garage, and then only when the garage door is closed; provided, however, that such activity shall at no time be permitted if it is determined by the Board or its agent to be a nuisance. Garage doors shall remain closed except for reasonable periods while the garages are being used.

Section 6. Animal Restrictions. No insects, reptiles, poultry or animals of any kind shall be raised, bred or kept on any Lot.

Section 7. Trash. No rubbish, trash, garbage or other waste material shall be kept or permitted upon any Lot, except in sanitary containers located in appropriate areas screened and concealed from view, and no odor shall be permitted to arise there from so as to render the Properties, or any portion thereof, unsanitary, unsightly, offensive or detrimental to any other property in the vicinity thereof or to its occupants. Such containers shall be exposed to the view of neighboring Lots only when set out for a reasonable period of time (not to exceed twenty-four (24) hours before and after scheduled trash collection hours). There shall be no exterior fires whatsoever except barbecue fires contained with receptacles therefor and fire pits in the enclosed yards designed in such a manner that they do not create a fire hazard. No clothing or household fabrics shall be hung, dried or aired in such a way in the Properties as to be visible to other property, and no lumber, grass, shrub or tree clippings or plant waste, metals, bulk material or scrap or refuse or trash shall be kept, stored or allowed to accumulate on any portion of the Properties except, within an enclosed structure or screened from view of the other Lots.

Section 8. Temporary Buildings. No outbuilding, tent, shack, shed or other temporary building or Improvement of any kind shall be placed upon any portion of the Properties either temporarily or permanently. No garage, trailer, camper, motor home or recreational vehicle shall be used as a residence in the Properties, either temporarily or permanently.

Section 9. Outside Installations. No radio station or short-wave operators of any kind shall operate from any Lot or dwelling unit unless approved by the Board of Directors. No exterior radio antenna, C.B. antenna, television antenna, or other antenna of any type shall be erected or maintained on any Lot or within the Properties except in compliance with applicable laws and the rules of the Association. No fence shall be erected, altered or maintained on any Lot in the Properties, except with the prior written approval of the Architectural Committee. All fences initially constructed by Declarant shall be permanently maintained by the Owners of the Lots on which they are located. Any alterations or modifications of the fences not addressed herein shall be subject to the prior written approval of the Architectural Committee.

Section 10. Insurance Rates. Nothing shall be done or kept in the Properties which will increase the rate of insurance on any property insured by the Association without the approval of the Board, nor shall anything be done or kept in the Properties which would result in the cancellation of insurance on any property insured by the Association or which would be in violation of any law.

Section 11. Drilling. No oil drilling, oil development operations, oil refining, water wells, quarrying or mining operations of any kind shall be permitted upon or in any Lot, nor shall oil wells, tanks, tunnels or mineral excavations or shafts be permitted upon the surface of any Lot or within five hundred fifty feet (550') below the surface of the Properties.

Section 12. Drainage. There shall be no interference with the established drainage pattern over any Lot within the Properties, unless an adequate alternative provision is made for proper drainage and is first approved in writing by the Architectural Committee. For the Purposes hereof, "established" drainage is defined as the drainage which exists at the time that such Lot is conveyed to a purchaser from Declarant, or that which is shown on any plans approved by the Architectural Committee, which may include drainage over any Lot or Lots in the Properties.

Section 13. Violation of Governing Instruments. There shall be no violation of the restrictions of this Declaration or of the rules and regulations of the Association adopted in accordance with the provisions of the Bylaws. If any Owner, or the Owner's family, guest, licensee, lessee or invitee, violates any such restrictions,

the Board may impose a reasonable Reimbursement Assessment upon such Owner for each violation and may suspend the voting privileges of such Owner as further provided in the Bylaws. Such Reimbursement Assessment shall be collectible in the same manner as Annual Assessments hereunder, but the Board shall give such Owner notice and hearing before invoking any such Reimbursement Assessment or suspension.

Section 14. Construction by Declarant. Nothing in this Declaration shall limit the right of the Declarant to commence and complete construction of improvements to the Properties or to alter the foregoing or the Lots or to construct such additional improvements as the Declarant deems advisable prior to the completion and sale of all of the Properties. The Declarant may use any of the Lots within the Properties owned by it for model home sites and incidental parking. The Declarant shall have the right and an easement to enter upon, use and enjoy and designate and permit others (including, without limitation, Declarant's agents, employees, representatives, contractors and prospective purchasers) to enter upon, use and enjoy for any purpose in connection with or incidental to the construction, development, sale, lease or other transfer of property within or adjacent to the Properties (including, without limitation, the erection, construction and maintenance of displays, sales offices and incidental parking, exhibits, sign and other structures), provided, however, that the exercise of such right and easement shall not unreasonably interfere with the reasonable use and enjoyment of the Properties by the Members.

IV MEMBERSHIP AND VOTING RIGHTS

Section 1. Organization. The Association is organized as a Utah nonprofit corporation under the Utah Cooperative Association Act. The Association is charged with the duties and vested with the powers prescribed by law and set forth in the Articles, Bylaws, and this Declaration. Neither the Articles nor Bylaws shall, for any reason, be amended or otherwise changed so as to be inconsistent with this Declaration. In the event that there should exist any ambiguity in any provision of the Articles or Bylaws, then such provision shall be construed, to the extent possible, so that such provision shall be interpreted so as to be consistent with the provisions of this Declaration.

Section 2. Membership. Every person or entity who is a record Owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from the fee ownership of any Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification for

membership. Transfer of a Lot shall automatically transfer membership in the Association.

Section 3. Voting Rights. The Association shall have two (2) classes of voting membership:

Class A. Class A Members shall be all Owners with the exception of Declarant and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be entitled to all rights and privileges of membership. The vote for such Lot shall be exercised as its Owners collectively determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B Member shall, be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the third anniversary of the original issuance of the final certificate of occupancy for the Properties.

Section 4. Two Classes of Memberships. Any action by the Association which must have the approval of the membership of the Association before being undertaken, shall require the vote or written assent of both a majority of the Class B membership as well as a majority of the Class A membership so long as there are two (2) outstanding classes of membership, unless a specific provision of this Declaration or the Bylaws or Articles of the Association requires the approval of a greater percentage of the voting membership. At such time as two classes of membership no longer exist, any action by the Association which must have the approval of the membership of the Association before being undertaken shall require the vote or written assent of a majority of the total voting power of the Association as well as the vote or written assent of a majority of the total voting power of Members other than the Declarant.

Section 5. Vesting of Voting Rights. All voting rights which are attributable to a specific Lot pursuant to the terms of this Declaration shall not vest until such time as such Lot is subject to Annual Assessments pursuant to the terms of this Declaration.

V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Covenant to Pay Assessment. Declarant, on behalf of itself, and for each Lot owned, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual or regular assessments or charges, (2) special assessments for capital improvements, (3) emergency assessments, and (4) reimbursement assessments, all such assessments to be established and collected as hereinafter

provided. The annual assessments or charges must be in an amount sufficient to include an adequate reserve fund for maintenance, repairs and replacement that must be replaced on a periodic basis, and this reserve fund must be collected as a portion of the annual assessment rather than as a special assessment. Each of such assessments, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time the assessment fell due. The personal obligation for delinquent assessments shall not pass to such person's successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Lots and for the improvement, operation and maintenance of the Properties and the performance of the duties of the Association as set forth in this Declaration. There shall be an assessment of each Owner for: (a) maintenance of the front Lot landscaping improvements and irrigation system; (b) maintenance of shared rear yard fencing; (c) maintenance of Harrison Boulevard common benefit shrubbery and existing Horse Chestnut trees and irrigation system; (d) maintenance of 22nd Street parkway; (d) Harrison Boulevard sidewalk snow removal.

Section 3. Amount of Annual Assessments. The amount and time of payment of annual assessments against each Lot shall be determined by the Board of Directors of the Association giving due consideration to the current maintenance costs and future needs of the Association. Assessments shall be levied against each Owner according to the ratio of number of Lots owned by the Owner assessed to the total number of Lots subject to assessments. The annual assessments against each Lot shall not be increased more than twenty percent (20%) over the annual assessments for the preceding year against each Lot without the vote or written consent of a majority of the total voting power of the Association, which shall include a majority of the votes residing in Members other than the Declarant.

Section 4. Special Assessments for Capital Improvement. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, restoration, repair or replacement of a capital improvement within the Properties including fixtures and personal property related thereto or any other action or undertaking on behalf of the Association, provided that any such assessment for all Lots for the fiscal year in the aggregate in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year shall be approved by the vote or written assent of a majority of the voting power of the Association. The foregoing limitation on

special assessments shall not apply to any reimbursement assessment which is authorized by the provisions of this Declaration.

Section 5. Emergency Assessment. The Board may increase assessments necessary for emergency situations. For purposes of this section, an emergency situation is any of the following: (i) an extraordinary expense required by an order of the court; (ii) an extraordinary expense necessary to repair or maintain the Properties or any part thereof for which the Association is responsible where a threat to personal safety on the Properties is discovered; or (iii) an extraordinary expense necessary to repair or maintain the Properties or any part thereof for which the Association is responsible that could not have been reasonably foreseen by the Board. However, prior to the imposition or collection of such an assessment, the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process, and the resolution shall be distributed to the Members with the notice of assessment.

Section 6. Reimbursement Assessments. The Association shall levy a Reimbursement Assessment against any Owner who fails to comply with the provisions of this Declaration, the determinations of the Architectural Committee or the Board, the Association's Articles or Bylaws, or any rule or regulation adopted by the Association, if such failure results in the expenditure of monies by the Association in carrying out its functions hereunder or for purposes of collecting any fines which may be levied by the Association. Except for collection of fines, such assessment shall be for the purpose of reimbursing the Association, shall be limited to the amount so expended, and shall be due and payable to the Association when levied.

Section 7. Notice and Quorum for Meetings Called Under Sections 3 and 4. Written notice of any meeting called to approve an increase in assessments greater than twenty percent (20%) under Section 3 or a Special Assessment under Section 4 shall be sent to all Members not less than ten (10) days nor more than sixty (60) days in advance of the meeting. At any such meeting called, the presence of Members or of proxies entitled to cast fifty-one percent (51%) of the voting power of the Association other than Declarant shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same quorum requirement.

Section 8. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis, unless some other period for collection is adopted by the Board.

Section 9. Date of Commencement of Annual Assessments:

Due Dates. The annual assessments provided for herein shall commence as to all Lots no later than (but earlier at the discretion of Declarant) the first day of the month following the conveyance of the first Lot by Declarant to an individual Owner. The first annual assessments shall be adjusted according to the number of months remaining in the fiscal year of the Association. The Board of Directors shall fix the amount of the annual, assessment against each Lot at least sixty (60) days in advance of each fiscal year of the Association. Written notice of the amount of the annual assessments against each Lot shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. In the event the Board shall determine at any time that the estimate of the annual assessment for the current fiscal year is, or will become, inadequate to meet the expenses of the Association for any reason, it shall immediately determine the approximate amount of such inadequacy and issue a supplemental estimate of the total, Association expenses and determine the revised amount of the annual assessment against each Lot.

Section 10. Exemption from Annual Assessments. None.

Section 11. Certification of Payment. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. Said signed certificate shall be conclusive evidence as to all third parties relying thereon to show that all assessments acknowledged therein have been paid but shall not relieve any Owner of the responsibility for assessments not in fact paid.

Section 12. Reserves. The annual assessments shall include reasonable amounts as determined by the Board collected as reserves for the future periodic maintenance, repair or replacement of all or a portion of the Properties or any other purpose as determined by the Board. All amounts collected as reserves, whether pursuant to this Section or otherwise, shall be deposited by the Board in a separate bank account to be held in trust for the purposes for which they are collected and are to be segregated from any other funds of the Association. Such reserves shall be deemed a contribution to the capital account of the Association by the Members.

Section 13. Effect of Nonpayment of Assessments; Remedies of the Association. Each Owner of any Lot on becoming an Owner of any Lot, is and shall be deemed to covenant and agree to pay to the Association each of the assessments provided for in this Declaration; and agrees to the enforcement of all such assessments in the manner herein specified. In addition, a late charge of ten percent (10%) of the delinquent assessment shall be assessed on any assessment not paid within fifteen (15) days after the date on which it becomes due. Any assessment, including late charges due hereunder, not paid within thirty (30) days after the assessment

becomes due shall thereafter bear interest at an annual percentage rate not to exceed twelve percent (12%) interest. In the event an attorney or attorneys are employed for collection of any assessment, whether by suit or otherwise, or to enforce compliance with or specific performance of the terms and conditions of this Declaration, each Owner agrees to pay reasonable attorneys' fees and costs thereby incurred in addition to any other amounts due or any other relief or remedy obtained against said Owner. In addition to any other remedies herein or by law provided, the Board, or its authorized representative, may enforce the obligations of the Owners to pay the assessments provided for in this Declaration, and each of them, in any manner provided by law or in equity, or without any limitation of the foregoing, by either or both of the following procedures:

(a) Enforcement by Suit. By commencement and maintenance of a suit at law against any Owner or Owners personally obligated to pay assessments for such delinquent assessments as to which they are personally obligated, such suit to be maintained in the name of the Association. Any judgment rendered in any such action shall include the amount of the delinquency, together with interest thereon as provided for herein, costs of collection, court costs and reasonable attorneys' fees in such amount as the Court may adjudge against the delinquent Owner. Suit to recover a money judgment for unpaid assessments shall be maintainable without foreclosing or waiving the lien hereinafter provided for.

(b) Enforcement by Lien. There is hereby created a claim of lien, with power of sale, on each and every Lot to secure payment to the Association of any and all assessments levied against any and all Owners of such Lots pursuant to this Declaration, together with interest thereon as provided for in this Declaration, and all costs of collection which may be paid or incurred by the Association in connection therewith, including reasonable attorneys' fees. At any time after the occurrence of any delinquency in the payment of any such assessment, the Board or any authorized representative thereof may make a written demand for payment to the delinquent Owner. Said demand shall state the date and amount of the delinquency. Each delinquency shall constitute a separate basis for a demand or claim of lien or a lien, but any number of defaults may be included within a single demand or claim of lien and any demand or claim of lien or lien on account of prior delinquencies shall be deemed to include subsequent delinquencies and amounts due on account thereof. If such delinquency is not paid within ten (10) days after delivery of such demand, the Board or its duly authorized representative may thereafter elect to file and record a claim of lien on behalf of the Association against the Lot of the defaulting Owner in the Office of the County Recorder of the County. Such claim of lien shall be executed and acknowledged by any officer of the Association and shall contain substantially the following information:

- (1) The name of the record Owner;
- (2) The legal description of the Lot against which claim of lien is made;
- (3) The total amount claimed to be due and owing for the amount of the delinquency, interest thereon, collection costs, and estimated attorneys' fees (with any proper offset allowed);
- (4) That the claim of lien is made by the Association pursuant to this Declaration;
- (5) That a lien is claimed against said Lot in an amount equal to the amount stated, together with all other amounts becoming due from time to time in accordance with this Declaration; and
- (6) The name and address of the trustee authorized by the Association to enforce the lien by sale through non-judicial foreclosure.

Upon such recordation of a duly executed original or copy of such a claim of lien, the lien claimed therein shall immediately attach and become effective in favor of the Association as a lien upon the Lot against which such assessment was levied. Such a lien shall have priority over all liens or claims created subsequent to the recordation of this Declaration, except for tax liens for real property taxes on any Lot and assessments on any Lot in favor of any municipal or other governmental assessing unit and except for certain Trust Deeds as provided in the Section of this Article entitled "Subordination to Certain Trust Deeds" below. Any such lien may be foreclosed by appropriate action in Court or in the manner provided by applicable laws for the foreclosure of a deed of trust with power of sale, or in any other manner permitted by law. The Board is hereby authorized to appoint its attorney, any officer or director of the Association, or any Title Company authorized to do business in the County as Trustee for the purpose of conducting such power of sale foreclosure. The lien provided for herein shall be in favor of the Association and shall be for the benefit of all other Lot Owners and shall secure payment of all sums set forth in the claim of lien, together with all sums becoming due and payable in accordance with this Declaration after the date of recordation of said claim of lien. The Association shall have the power to bid at any foreclosure sale and to purchase, acquire, hold, lease, mortgage and convey any Lot. In the event such foreclosure is by action in Court, reasonable attorneys' fees, court costs, title search fees, interest and all other costs and expenses shall be allowed to the extent permitted by law. Each Owner, by becoming an Owner of a Lot, hereby expressly waives any objection to the enforcement and foreclosure of this lien in this manner. Upon the timely curing of any default for which a notice of claim of lien

was filed by the Board and the payment of all sums secured by the lien created by the recordation of such claim of lien, the Board shall cause an officer of the Association to file and record an appropriate release of such claim of lien in the Office of the County Recorder of Weber County. No Owner may waive or otherwise escape liability for the assessments provided for in this Declaration by non-use or abandonment of the Owner's Lot. Notwithstanding anything contained in this Declaration to the contrary, no action may be brought to foreclose the lien created by recordation of a claim of lien, whether judicially, by power of sale, or otherwise, until the expiration of ten (10) days after a copy of said claim of lien, showing the date of recordation thereof has been mailed to the Owner of the Lot which is described in such claim of lien.

Section 14. Subordination to Certain Trust Deeds. The lien for the assessments provided for herein in connection with a given Lot shall not be subordinate to the lien of any deed of trust or mortgage, except the lien of a first deed of trust or first mortgage, or contract of sale given and made in good faith and for value that is of record as an encumbrance against such given Lot prior to the recordation of a claim of lien for the assessments provided for in this Declaration against such given Lot (such deed of trust or mortgage being hereinafter referred to as a "prior deed of trust"). The sale or transfer of any Lot shall not affect any assessment lien created pursuant to the term of this Declaration to secure assessments becoming due whether prior to, on, or after the date of such sale or transfer, nor shall such sale or transfer diminish or defeat the personal obligation of any Owner for delinquent assessments as provided for by Section 1 of this Article; provided, however, that the sale or transfer of any Lot pursuant to a judicial foreclosure or foreclosure by power of sale of a prior deed of trust, or proceeding in lieu of foreclosure of a prior deed of trust, shall extinguish any assessment lien which has attached and become effective with regard to the Lot being so transferred prior to the time of such sale or transfer, and shall prohibit the recordation of any assessment lien against such Lot on account of assessments which became due prior to the date of such sale or transfer; provided, however, that there shall be a lien on the interests of the purchaser at such sale which shall attach, be created and become effective and be foreclosed in accordance with this Declaration and which shall secure all assessments becoming due after the date of any such sale or transfer. For the purpose of this Section, a sale or transfer of a Lot shall occur on the date of recordation of a deed or other instrument of title evidencing the conveyance of record title to the Lot.

Section 15. Exempt Property. The following property subject to this Declaration shall be exempt from the assessments created herein: All properties dedicated to and accepted by any local public authority.

Section 16. Enforcement of Reimbursement Liens. A lien for a Reimbursement Assessment shall be enforced in the same manner as all other liens under this Declaration.

Section 17. Delivery by Owner. Each Owner of a Lot shall, as soon as practicable before the transfer of title to the Lot or the execution of a real property sales contract, give to the prospective purchaser a copy of this Declaration and copies of the Bylaws and Articles of Incorporation of the Association, and a true statement in writing from the Board of Directors as to the amount of any delinquent assessments and information relating to penalties, attorneys' fees, and other charges authorized by this Declaration on the Lot as of the date the statement is issued.

Section 18. Delivery of Statement by Board. Upon written request the Board of Directors shall, within ten (10) days of the delivery of such request, provide the Owner of a Lot with a copy of this Declaration and copies of the Bylaws and Articles of Incorporation of the Association, together with a true statement in writing as to the amount of any delinquent assessments, penalties, attorneys' fees and other charges authorized by this Declaration on the Lot as of the date of the request. The Board may impose a fee for providing such documents and statement, but in no event shall the fee exceed the reasonable cost to prepare and reproduce the requested documents.

Section 19. Water Assessments. In the event that an Owner fails to pay any of that Owner's assessments to any water authority providing water to the Properties, the Association shall pay that water assessment to the water authority promptly following the Association's receipt of a written request for the same from the water authority. The Association shall have the right to categorize any such payment as a Reimbursement Assessment associated with the Owner in question. The Association shall have the right to seek payment of that Reimbursement Assessment in the manner set forth in this Declaration and/or to pass the cost of such payment to all of the Owners as part of their Annual or Special Assessments.

VI DUTIES AND POWERS OF THE ASSOCIATION

Section 1. General Powers of the Association. All powers relating to the management, operation and maintenance of the Properties as well as certain rights, duties and powers relating to the Properties, as hereinafter set forth, shall be vested in the Association and in its Board of Directors. The primary purposes and powers of the Association are to provide for the operation, control, repair, maintenance and restoration of the Properties, provide architectural control of the Properties, and to enforce the provisions of this Declaration and the Association's Articles and Bylaws, and any other instruments relating to the management and

control of the Association and the Properties. The Association may do any and all other acts that a corporation is empowered to do, which may be necessary, convenient or desirable in the administration of its affairs for the specific and primary purposes of meeting its duties as set forth in this Declaration. The Association, through its Board of Directors, shall have the authority to delegate its powers to committees, officers or employees.

Section 2. Contracts of the Association. The Association shall have the right to employ a manager and other employees or agents and contract for such services, labor and materials as the Association may deem necessary to operate and maintain the Properties and any improvements thereon and to discharge its other duties as herein provided. Any agreement for professional management of the Association or for services of the Declarant must provide that the management contract may be terminated by either party without cause or payment of a termination fee upon thirty (30) days' prior written notice and the term of such contract shall not exceed one (1) year.

Section 3. General Duties of Association. In addition to the duties and powers enumerated in its Articles of Incorporation and Bylaws, or provided for herein, and without limiting the generality thereof, and subject to the limitations on the power of the Board as set forth in Sections 4 and 5 of this Article, the Association acting through the Board shall:

(a) Maintain such policy or policies of insurance as the Association deems necessary or desirable in furthering the purposes of and protecting the interests of the Association and its Members; the Association shall be required, if available, to maintain fire and extended coverage insurance on insurable improvements on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement costs);

(b) Have the authority to obtain, for the benefit of the Properties utility services unless such services are separately charged to the Owners;

(c) Maintain all drainage facilities and easements owned by the Association, if any;

(d) Pay taxes and assessments which are or could become a lien on the Properties, if any, or some portion thereof;

(e) Prepare budgets and financial statements for the Association and its Members as prescribed in this Declaration;

(f) Initiate and execute disciplinary proceedings against Members of the Association for violations of provisions of

this Declaration or the Association's Articles of Incorporation or Bylaws in accordance with the procedures set forth in this Declaration.

(g) Make available to any prospective purchaser of a Lot, any Owner of a Lot, any first mortgagee and the holders, insurers and guarantors of the first mortgage on any Lot, current copies of the Declaration, the Articles of Incorporation, the By-Laws, the rules governing the lot and other books, records and financial statements of the Association. As used in this subparagraph (h), the word "Available" shall mean at least available of inspection upon request during normal business hours.

Section 4. Restrictions on Power of the Board. The Association shall be prohibited without the prior vote or written assent of a majority of the voting power of the Association, from doing any of the following: (i) incurring aggregate expenditures for capital improvements to any portion of the Properties in any fiscal year in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year; or (ii) selling during any fiscal year of the Association property of the Association having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Association for the fiscal year; (iii) paying compensation to members of the Board or to officers of the Association for services performed in the conduct of the Association's business; provided, however, that the Board may cause a Member or officer to be reimbursed for expenses incurred in carrying on the business of the Association; and (iv) filling of a vacancy on the Board created by the removal or resignation of a Board Member.

Section 5. Limitation on Board Authority to Contract. The Board of Directors shall not enter into any contracts for goods or services with a duration greater than one (1) year without the vote or written consent of a majority of the voting power of the Association with the following exceptions: (i) a management contract, the terms of which have been approved by the Federal Housing Administration or Veterans Administration; (ii) a contract with a public utility company if the rates charged for the materials or services are regulated by the Public Utilities Commission; provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate; (iii) prepaid casualty and/or liability insurance policies of not to exceed three (3) years duration, provided that the policy permits for short rate cancellation by the insured; (iv) an agreement for cable television services and equipment or satellite television services and equipment of not to exceed five (5) years duration provided that the supplier is not an entity in which Declarant has a direct or indirect ownership interest of ten percent (10%) or more; or (v) an agreement for sale or lease of burglar alarm and fire alarm equipment, installation and services of not to exceed five (5) years duration provided that

the supplier or suppliers are not entities in which Declarant has a direct or indirect ownership interest of ten percent (10%) or more.

Section 6. Association Rules. The Board shall also have the power to adopt, amend, and repeal such rules and regulations as it deems reasonable which may include the establishment of a system of fines and penalties enforceable as Reimbursement Assessments. The rules of the Association shall govern such matters in furtherance of the purposes of the Association; provided, however, that the rules of the Association may not discriminate among Owners, and shall not be inconsistent with this Declaration, the Articles or Bylaws. Any rule of the Association which imposes a system of fines or penalties must provide that the accused be given notice and the opportunity to be heard by the Board with respect to the alleged violations before a decision to impose discipline is imposed. A copy of the rules of the Association as they may from time to time be adopted, amended or repealed or a notice setting forth the adoption, amendment or repeal of specific portions of the rules of the Association shall be delivered to each Owner in the same manner established in this Declaration for the delivery of notices. Upon completion of the notice requirements, said rules of the Association shall have the same force and effect as if they were set forth in and were part of this Declaration and shall be binding on the Owners and their successors in interest whether or not actually received thereby. The rules of the Association, as adopted, amended or repealed, shall be available at the principal office of the Association to each Owner and Institutional Holder of a Mortgage upon request. In the event of any conflict between any such rules of the Association and any other provisions of this Declaration, or the Articles or Bylaws, the provisions of the rules of the Association shall be deemed to be superseded by the provisions of this Declaration, the Articles or the Bylaws to the extent of any such conflict.

Section 7. Entry Onto Lots. The Association and its representatives shall have the right to enter upon any Lot within the Properties to the extent such entry is necessary in connection with the performance by the Association of its duties and responsibilities under this Declaration.

VII INSURANCE

Section 1. Types. The Association, to the extent available, shall obtain and continue in effect in its own name the following types of insurance:

(a) A comprehensive policy of public liability insurance with a limit of not less than One Million Dollars (\$1,000,000.00) for claims for personal injury and/or property damage arising out of a single occurrence, such coverage to include protection against

such risks as shall customarily be covered or available with respect to planned unit developments and shall contain an endorsement which shall preclude the insurer from denying the claim of an Owner because of negligent acts or omissions of the Association or other Owners;

(b) A policy of fire and casualty insurance with extended coverage for the full replacement value of improvements, without deduction for depreciation, and clauses waiving subrogation against Owners and the Association and persons upon the Properties with the permission of an Owner, such insurance to afford protection against loss or damage by fire and other hazards covered by the standard extended coverage policy of hazard insurance;

(c) Fidelity coverage against dishonest acts on the part of directors, officers, employees or volunteers who handle or who are responsible to handle the funds of the Association, and such fidelity bonds shall name the Association as obligee, shall be written in an amount equal to one hundred fifty percent (150%) of the estimated annual operating expenses of the Association, including reserves.

Section 2. Waiver by Members. As to each of said policies which will not be voided or impaired thereby, the Members hereby waive and release all claims against the Association, the Board, the Declarant and agents and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by negligence of or breach of any agreement by said persons, but to the extent of insurance proceeds received in compensation for such loss only.

Section 3. Other Insurance; Annual Review. The Association may purchase such other insurance as it may deem necessary. The Board shall annually determine whether the amounts and types of insurance it has obtained provide adequate coverage for the Association in light of inflation, practice in the area in which the Properties are located, or any other factor which tends to indicate that either additional insurance policies or increased coverage under existing policies are necessary or desirable to protect the interests of the Association. If the Board determines that increased coverage or additional insurance is appropriate, it shall obtain the same.

Section 4. Premiums and Proceeds. Insurance premiums for any insurance deemed necessary by the Association shall be an expense to be included in the annual assessments levied by the Association. The Association is hereby granted the authority to negotiate loss settlements with the appropriate insurance carriers. Any two (2) directors of the Association may sign a loss claim form and release form in connection with the settlement of a loss claim, and such signatures shall be binding on the Association and the Members.

Section 5. Payment of Taxes or Premiums by Institutional Holders of First Mortgages. Institutional Holders of First Mortgages may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Properties, unless such taxes or charges are separately assessed against the Owners, in which case the rights of Institutional Holders of First Mortgages shall be governed by the provisions of their First Mortgages. Institutional Holders of First Mortgages may, jointly or singly, also pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, and the Institutional Holder of a First Mortgage making such payments shall be owed immediate reimbursement therefor from the Association.

VIII EMINENT DOMAIN

The term "taking" as used in this Article shall mean condemnation by eminent domain or sale under threat of condemnation. In the event of a threatened taking of all or any portion of any Property or the improvements thereon, the Owners hereby appoint the Board and such persons as the Board may delegate to represent all of the Owners in connection with the taking. The Board shall act in its sole discretion with respect to any awards being made in connection with the taking and shall be entitled to make a voluntary sale to the condemnor in lieu of engaging in a condemnation action. Any awards received on account of the taking shall be paid to the Association. In the event of a total taking, the Board may in its sole discretion retain any award in the general funds of the Association or distribute pro rata all or a portion thereof to the Owners. The rights of an Owner and the Institutional Holder of a Mortgage on his Lot as to such pro rata distribution shall be governed by the provisions of the Mortgage encumbering such Lot.

IX ARCHITECTURAL CONTROL

Section 1. Members of Committee. The Architectural Committee shall consist of not less than three (3) members but no more than five (5) members as shall be determined by the Board. The Declarant shall appoint all of the original members of the Architectural Committee and all replacements until one (1) year following the date of issuance of the final certificate of occupancy for the Properties. Subject to the following provisions, Declarant shall have the right and power at all times to appoint and remove a majority of the members of the Architectural Committee or to fill any vacancy of such majority until the "turnover date" which shall be the date on which either (i) ninety percent (90%) of the Lots subject to this Declaration have been sold and the deeds recorded ("close of escrow"), or (ii) five (5) years following the date of issuance of the final certificate of occupancy for the

Properties, whichever occurs earlier. After the turnover date, the Board shall have the power to appoint and remove all of the members of the Architectural Committee. Persons appointed to the Architectural Committee by the Board shall be Members of the Association, but persons appointed to the Architectural Committee by Declarant need not be Members of the Association. The Architectural Committee shall have the right and duty to promulgate reasonable standards against which to examine any request made pursuant to this Article, in order to ensure that the proposed plans conform harmoniously to the exterior design and existing materials of the buildings in the Project. The Architectural Committee may designate and appoint a representative who is a licensed architect and a majority of the members of said Architectural Committee may, from time to time, remove or replace such representative. The designated representative of the Architectural Committee may be, but need not be, a Member of the Architectural Committee.

Section 2. Review of Plans and Specifications. The Architectural Committee shall consider and act upon any and all plans and specifications submitted for its approval under this Declaration and perform such other duties as from time to time shall be assigned to it by the Board. No construction, alteration, addition, modification, decoration, redecoration or reconstruction to the exterior of an Improvement on the Properties shall be commenced or maintained, until the plans and specifications there for showing the nature, kind, shape, height, width, color, materials and location of the same shall have been submitted to the Architectural Committee and approved in writing by the Architectural Committee. The address for submission of such plans and specifications shall be the address of the principal place of business of the Association. The Architectural Committee shall approve plans and specifications submitted for its approval only if it deems that the construction, alterations or additions contemplated thereby in the locations indicated will not be detrimental to the appearance of the surrounding area of the Properties as a whole, that the appearance of any structure affected thereby will be in harmony with the surrounding structures, and that the construction thereof will not detract from the beauty, wholesomeness and attractiveness or the enjoyment thereof by the Members, and that the maintenance thereof will not become a burden on the Association. The Architectural Committee may condition its approval of proposals or plans and specifications for any improvement (i) on such changes therein as it deems appropriate, (ii) upon the agreement by the person (referred to in this Section 2 as "applicant") submitting the same to grant appropriate easements to the Association for the maintenance of the Improvement, and/or (iii) upon the agreement of the applicant to reimburse the Association for the cost of such maintenance, and may require submission of additional plans and specifications or other information prior to approving or disapproving material submitted. The Architectural Committee may also issue guidelines setting forth

procedures for the submission of plans for approval, requiring a fee payable to the Association to accompany each application for approval, or additional factors which the Architectural Committee will take into consideration in reviewing submissions. The Architectural Committee may provide that the amount of such fee shall be uniform, or that it be determined in any other reasonable manner, such as by the reasonable cost of the construction, alterations or additions contemplated. The Architectural Committee may require such detail in plans and specifications submitted for its review as it deems proper, including, without limitation, floor plans, site plans, drainage plans, elevation drawings and description or samples of exterior material and colors. Decisions of the Architectural Committee and the reasons therefor shall be transmitted by the Architectural Committee to the applicant at the address, set forth in the application for approval, within thirty (30) days after receipt by the Architectural Committee of all materials required by the Architectural Committee. Any application submitted pursuant to this Section 2 shall be deemed approved, unless written disapproval or a request for additional information or materials by the Architectural Committee shall have been transmitted to the applicant within thirty (30) days after the date of receipt by the Architectural Committee of such application or additional information.

Section 3. Meetings of the Architectural Committee. The Architectural Committee shall meet from time to time as necessary to perform its duties hereunder. The Architectural Committee may from time to time, by resolution unanimously adopted in writing, designate an Architectural Committee representative (who may, but need not, be one of its members) to take any action or perform any duties for and on behalf of the Architectural Committee, except the granting of variances pursuant to Section 9 of this Article. In the absence of such designation, the vote of a majority of the members of the Architectural Committee taken without a meeting, shall constitute an act of the Architectural Committee.

Section 4. No Waiver of Future Approvals. The approval of the Architectural Committee to any proposals or plans and specifications or drawings for any work done or proposed or in connection with any other matter requiring the approval and consent of the Architectural Committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings or matter whatever subsequently or additionally submitted for approval or consent.

Section 5. Compensation of Members. The members of the Architectural Committee shall receive no compensation for services rendered, other than reimbursement for expenses incurred by them in the performance of their duties hereunder.

Section 6. Inspection of Work. Inspection of work and

correction of defects therein shall proceed as follows:

(a) Upon the completion of any work for which approved plans are required under this Article, the Owner shall give written notice of completion to the Architectural Committee.

(b) Within sixty (60) days thereafter, the Architectural Committee or its duly authorized representative may inspect such Improvement. If the Architectural Committee finds that such work was not done in substantial compliance with the approved plans it shall notify the Owner in writing of such noncompliance within such sixty (60) day period, specifying the particulars of noncompliance, and shall require the Owner to remedy the same.

(c) If upon the expiration of thirty (30) days from the date of such notification the Owner shall have failed to remedy such noncompliance, the Architectural Committee shall notify the Board in writing of such failure. After affording such Owner notice and hearing, the Board shall determine whether there is a noncompliance and, if so, the nature thereof and the estimated cost of correcting or removing the same. If a noncompliance exists, the Owner shall remedy or remove the same within a period of not more than forty-five (45) days from the date of announcement of the Board ruling. If the Owner does not comply with the Board ruling within such period, the Board, at its option, may record a notice of noncompliance in the Office of the County Recorder and may peacefully remove the noncomplying Improvement or otherwise peacefully remedy the noncompliance, and the Owner shall reimburse the Association, upon demand, for all expenses incurred in connection therewith. If such expenses are not promptly repaid by the Owner to the Association, the Board shall levy a special reimbursement assessment against such Owner for reimbursement.

(d) If for any reason the Architectural Committee fails to notify the Owner of any noncompliance within sixty (60) days after receipt of said written notice of completion from the Owner, the Improvement shall be deemed to be in accordance with said approved plans.

Section 7. Nonliability of Architectural Committee Members. Neither Declarant, the Architectural Committee nor any Member of the Architectural Committee, the Board nor their duly authorized representative, shall be liable to the Association or to any Owner for any loss, damage or injury arising out of or in any way connected with the performance of the Architectural Committee's duties hereunder, unless due to the willful misconduct or bad faith of the Architectural Committee. The Architectural Committee shall review and approve or disapprove all plans submitted to it for any proposed Improvement, alteration or addition, solely on the basis of aesthetic considerations and the over-all benefit or detriment which would result to the immediate vicinity and the Properties generally. The Architectural Committee shall take into

consideration the aesthetic aspects of the architectural designs, placement of buildings, landscaping, color schemes, exterior finishes and materials and similar features. The Architectural Committee's approval or disapproval shall be based solely on the considerations set forth in this Article, and the Architectural Committee shall not be responsible for reviewing, nor shall its approval of any plan or design be deemed approval of, any plans or design from the standpoint of structural safety or conformance with building or other codes.

Section 8. Nonapplicability to Declarant. The provisions of this Article shall not apply to any Lot owned by Declarant prior to the construction on such Lot by Declarant of a residential dwelling unit or prior to the conveyance of such Lot by Declarant to a member of the public.

Section 9. Variance. The Architectural Committee may authorize variances from compliance with any of the architectural provisions of this Declaration, including without limitation, restrictions upon height, size, floor area or placement of structures, or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental consideration may require. Such variances must be evidenced in writing, must be signed by at least two (2) members of the Architectural Committee, and shall become effective upon recordation in the Office of the County Recorder of the County. If such variances are granted, no violation of the covenants, conditions and restrictions contained in this Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Declaration for any purpose except as to the particular property and particular provision hereof covered by the variance, nor shall it affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting the Owner's use of the Lot, including but not limited to zoning ordinances and lot setback lines or requirements imposed by the County or any other governmental authority.

Section 10. Appeal. In the event plans and specifications submitted to the Architectural Committee are disapproved thereby, the party or parties making such submission may appear in writing to the Board. The written request must be received by the Board not more than thirty (30) days following the final decision of the Architectural Committee. The Board shall submit such request to the appropriate Architectural Committee for review, whose written recommendations will be submitted to the Board. Within forty-five (45) days following receipt of the request for appeal, the Board shall render its written decision. The failure of the Board to render a decision within said forty-five (45) day period shall be deemed a decision in favor of the appellant.

X
NOTICES

In each instance in which notice is to be given to the Owner of a Lot, the same shall be in writing and may be delivered personally, in which case personal delivery of such notice to one or two or more co-owners of a Lot, or to any general partner of a partnership owning such a Lot, shall be deemed delivery to all of the co-owners or to the partnership as the case may be, and personal delivery of the notice to any officer or agent for the service of process of a corporation owning such Lot shall be deemed delivery to the corporation or such notice may be delivered by United States mail, certified or registered, postage prepaid, return receipt requested, addressed to the Owner of such Lot at the most recent address furnished by the Owner in writing for the purpose of giving notice, or if no such address shall have been furnished, then to the street address of such Lot, and any notice so deposited in the mail within the County shall be deemed delivered forty-eight (48) hours after such deposit. Any notice to be given to the Association may be delivered personally to any Member of the Board, or delivered in such other manner as may be authorized by the Association. Any notice to be given to the Association shall be delivered by the United States mail, certified or registered, postage prepaid, return receipt requested, and any notice so deposited in the mail within the County shall be deemed delivered forty-eight (48) hours after such deposit.

XI
RIGHTS OF LENDERS

Notwithstanding any provisions to the contrary as may be provided elsewhere in this Declaration, Lenders shall have the following rights:

Section 1. Notice to Institutional Holders of Default. Any Institutional Holder of any Mortgage on a Lot shall be entitled to receive, upon written request to the Association, written notification from the Association of any default by the Owner (trustor) of such Lot in the performance of such Owner's obligations under the Declaration or the Association's Articles or Bylaws which is not cured within thirty (30) days from the date of such default.

Section 2. Assessments on Foreclosure. Any Institutional Holder of any First Mortgage who obtains title to a Lot pursuant to the remedies provided in the Mortgage (but exclusive of a deed in lieu of foreclosure), or through foreclosure of the First Mortgage, shall not be liable for any claims for unpaid assessments or charges against such Lot which accrued prior to the acquisition of title to such Lot by the Institutional Holder of the First Mortgage.

Section 3. Right of First Refusal. Any Institutional Holder of a Mortgage who comes into possession of a Lot pursuant to the remedies provided in such Mortgage, or foreclosure of the Mortgage, shall be exempt from any right of first refusal for the benefit of the Association, and any right of first refusal shall not impair the rights of an Institutional Holder to:

(a) Foreclose or take title to a Lot pursuant to the remedies provided in the Mortgage; or

(b) Accept a deed (or assignment) in lieu of foreclosure in the event of default by the Trustor of the Mortgage; or

(c) Sell or lease a Lot acquired by the Institutional Holder.

Section 4. Rights of Institutional Holders. All Institutional Holders of Mortgages on individual Lots shall, upon written request to the Association, be entitled to:

(a) Inspect the books and records of the Association during normal business hours;

(b) Receive an annual audited financial statement of the Association within ninety (90) days provided, however, that such audited statements shall be made available only if they have been prepared by the Association in the regular course of business, following the end of any fiscal year of the Association; and

(c) Receive written notice of all meetings of the Owners of the Association and shall be entitled to designate a representative to attend to all such meetings.

Section 5. Payment of Taxes and Insurance Premiums. Institutional Holders of Mortgages on Lots within the Properties may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge or lien against any Property, if any, and may pay overdue premiums on hazard insurance policies or secure hazard insurance coverage upon the lapse of a policy for any Property and the mortgagees making such payments shall be owed immediate reimbursement there for from the Association.

Section 6. Priority on Distribution of Proceeds. No Owner or any other party shall have priority over any rights of Institutional Holders of Mortgages upon individual Lots pursuant to their Mortgages in the case of a distribution to Owners of insurance proceeds or condemnation awards for losses to or a taking of all or any portion of the commonly owned property, if any, and/or the individual Lots and improvements thereon.

Section 7. Notice of Destruction or Taking. In the event that any Lot or the improvements thereon or any commonly owned property, if any, or portions thereof, are substantially damaged or destroyed, or are made the subject of any condemnation proceeding in eminent domain or are otherwise sought to be acquired by a condemning authority, the Association shall promptly notify all Institutional Holders of Mortgages affected by such destruction, taking or threatened action.

Section 8. Insurance. Notwithstanding any other provisions herein, the Association shall continuously maintain in effect such casualty, flood and liability insurance and a fidelity bond meeting the insurance and fidelity bond requirements for planned unit development projects established by the Federal Home Loan Mortgage Corporation, so long as it is a mortgagee or owner of a Lot within the project, except to the extent such coverage is not available or has been waived in writing by the Federal Home Loan Mortgage Corporation.

Section 9. Mortgage Protection Clause. No breach of the covenants, conditions or restrictions herein contained, nor any lien created hereby, shall defeat or render invalid the lien of any first mortgage or first deed of trust made in good faith and for value, but all of said covenants, conditions and restrictions shall be binding upon and effective against any Owner whose title is derived through foreclosure or trustee's sale, or otherwise.

Section 10. Conflicts. In the event of any conflicts between any of the provisions of this Article and any other provisions of the Declaration, the provisions of this Article shall control.

Section 11. Third-Party Beneficiary Rights of Ogden City Redevelopment Agency. In the event that the Association fails to perform its obligations under this Declaration for more than thirty (30) days following written notice from the Ogden City Redevelopment Agency (the "RDA") requesting correction of such failure, the RDA shall have the right as a third-party beneficiary, but not the obligation, to correct the unperformed obligations of the Association. Notwithstanding the foregoing, if the Association's failure to perform cannot reasonably be corrected within that 30-day period, the RDA shall not exercise its rights under this Section so long as the Association commences to correct such failure within that 30-day period and diligently pursues such corrective action until the failure is corrected. If the RDA determines to exercise its rights under this Section, the RDA shall have the right to exercise all of the powers granted to the Association by the Declaration and by law. The Owners shall respond to the RDA in the same manner that the Owners would otherwise be required to respond to the Association.

XII
ENFORCEMENT OF BONDED OBLIGATIONS

Intentionally omitted.

XIII
EASEMENTS AND OWNERS' PROPERTY RIGHTS

Section 1. Waiver of Use. No Owner may exempt himself from personal liability for assessments duly levied by the Association, nor release the Lot or other property owned by him from the liens and charges hereof, or by abandonment of his Lot or any other property in the Properties.

Section 2. Owners' Rights and Duties: Utilities. The rights and duties of the Owners of Lots within the Properties with respect to sanitary sewer and water, electricity, gas and telephone and cable television lines and drainage facilities shall be governed by the following:

(a) Wherever sanitary sewer house connections and/or water house connections or electricity, gas, or telephone and cable television lines or drainage facilities are installed within the Properties, which connections, lines or facilities, or any portion thereof, lie in or upon Lots owned by persons other than the Owner of a Lot served by said connections, the Owners of any Lots served by said connections, lines or facilities shall have the right, and are hereby granted an easement to the full extent necessary therefor, to enter upon the Lots or to have utility companies enter upon the Lots within the Properties in or upon which said connection, lines or facilities, or any portion thereof, lie, to repair, replace and generally maintain said connections as and when the same may be necessary as set forth below;

(b) Wherever sanitary sewer house connections and/or water house connections or electricity, gas or telephone or cable television lines or drainage facilities are installed within the Properties, which connections serve more than one Lot, the Owner of each Lot served by said connections shall be entitled to the full use and enjoyment of such portions of said connections as service his Lot;

(c) In the event of a dispute between Owners with respect to the repair or rebuilding of said connections, or with respect to the sharing of the cost thereof, then upon the written request of one of such Owners addressed to the Association, the matter shall be submitted to the Board of Directors who shall decide and make an assessment against any or all of the Owners involved, which assessment shall be collected and enforced in the manner provided by this Declaration.

Section 3. Repair and Maintenance of the Lots by Owners. The Owner of each Lot is responsible for maintaining that Lot except as otherwise provided herein. Each Owner is responsible for the repair and maintenance of the Lot as may be occasioned by the presence of wood-destroying pests or organisms.

Section 4. Party Fences. Those Owners who have a common fence adjoining their Lots and such a fence dividing the Lots upon which their homes are constructed, shall equally have the right to the use of such fence except that each shall have the exclusive right to the use of the interior surface of the fence on his side. Neither Owner shall use any portion of the fence so as to interfere with the use and enjoyment of the other Owner. In the event that any portion of such fence, except the interior surface of one side, is damaged or injured from any cause, other than the act or negligence of either party, it shall be repaired or rebuilt at their joint expense.

Section 5. Creation of Easements. Each of the easements provided for in this Declaration shall be deemed to be established upon the recordation of this Declaration, and shall thenceforth be deemed to be covenants running with the land for the use and benefit of the Lots superior to all other encumbrances applied against or in favor of any portion of the Properties which is the subject of this Declaration. In furtherance of the easements provided for in this Declaration the individual grant deeds to Lots may, but shall not be required to, set forth said easements.

XIV FINANCIAL REPORTS

Section 1. Budgets and Financial Statements. The Board of Directors of the Association shall have the below described financial information of the Association regularly prepared and distributed to all Members of the Association as provided herein regardless of the number of Member's or the amount of assets of the Association:

(a) A budget for each fiscal year of the Association which shall include at least the following information shall be distributed no more than sixty (60) days and not less than forty-five (45) days prior to the beginning of the fiscal year of the Association:

(i) Estimated revenue and expenses on an accrual basis;

(ii) The amount of the total cash reserves of the Association currently available for replacement or major repair of Property facilities and for contingencies;

(iii) An itemized estimate of the remaining life of, and the methods of funding to defray repair, replacement or additions to major components of the Properties and facilities for which the Association is responsible; and

(iv) A general statement setting forth the procedures used by the calculation and establishment of reserves to defray the costs of repair, replacement or additions to major components of the Properties and facilities for which the Association is responsible.

(b) A balance sheet - as of a designated accounting date which shall be the last day of the month closest in time to six (6) months from the date of closing of escrow representing the first sale of a Lot in the Properties - and an operating statement for the period from the date of the first closing to the designated accounting date, shall be distributed to each Member within sixty (60) days after the designated accounting date. This operating statement shall include a schedule of assessments received and receivable identified by the Lot within the Properties and the name of the person or entity assessed therefor.

(c) An annual report which shall consist of at least the following shall be distributed within one hundred twenty (120) days after the close of the fiscal year of the Association:

(i) A balance sheet as of the end of the fiscal year;

(ii) An operating (income) statement for the fiscal year;

(iii) A statement of changes in financial position for the fiscal year; and

(iv) For any fiscal year in which the gross income of the Association exceeds Seventy-Five Thousand Dollars (\$75,000.00), a copy of the review of the annual report prepared in accordance with generally accepted accounting principles by a licensee of the California State Board of Accountancy. Such financial report shall include any information required to be reported under Section 8322 of the California Corporations Code.

Section 2. Certification of Report. If the report referred to in subsection (c) above is not prepared by an independent accountant, it shall be accompanied by the certificate of an authorized officer of the Association that the statement was prepared from the books and records of the Association without independent audit or review.

Section 3. Quarterly Reconciliation and Review. The Board shall do the following not less frequently than quarterly: (i) review a current reconciliation of the Association's operating accounts; (ii) review a current reconciliation of the Association's reserve accounts; (iii) review the current year's actual reserve revenues and expenses compared to the current year's budget (iv) review the most current account statements prepared by the financial institution where the Association has its operating and reserve accounts.

Section 4. Reserve Fund Withdrawal. Withdrawal of funds from the Association's reserve fund requires the signatures of either two members of the Board or one member of the Board and an officer of the Association who is not also a member of the Board.

Section 5. Policies on Remedies. In addition to financial statements, the Board of Directors shall annually distribute within sixty (60) days prior to the beginning of the fiscal year of the Association a statement of the Association's policies and practices in enforcing its remedies against Members for defaults in the payment of regular and special assessments including the recording and foreclosing of liens against Members' Lots.

**XV
GENERAL PROVISIONS**

Section 1. Enforcement. The Association, or any Owner or the successor in interest of an Owner, shall have the right to enforce by proceedings at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration or any amendment thereto, including the right to prevent the violation of any such restrictions, conditions, covenants or reservations and the right to recover damages or other sums for such violation; provided, however, that with respect to assessment liens, the Association shall have the exclusive right to the enforcement thereof. Failure by the Association or by any Owner to enforce any covenant, condition or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Should any of the covenants contained in this Declaration be void or be or become unenforceable in law or in equity, the remaining portions of this Declaration shall, nevertheless, be and remain in full force and effect.

Section 3. Term. Subject to the limitations set forth in Section 4 of this Article, this Declaration and the covenants herein contained shall be in effect until fifty (50) years from the Effective Date and shall automatically be extended for successive periods of ten (10) years thereafter unless within six (6) months prior to the expiration of the initial term or any ten (10) year renewal period a written agreement executed by majority of the then

record Owners shall be placed on record in the Office of the County Recorder of the County by the terms of which agreement the effectiveness of this Declaration is terminated or the covenants herein contained are extinguished in whole or in part as to all or any part of the property then subject thereto.

Section 4. Amendments. This Declaration may be amended only by the affirmative assent or vote of seventy-five percent (75%) of the voting power of the Association. This amendment provision shall not be amended to allow amendments by the assent or vote of less than the prescribed percentage of voting power required for amendments hereof. An amendment or modification shall be effective only after (i) the proposed amendment has been distributed to all of the Owners of Lots by first-class mail postage prepaid or personal delivery not less than fifteen (15) days and not more than sixty (60) days prior to any approval being solicited; and (ii) the amendment or modification has been executed by the President and Secretary of the Association who shall certify that the amendment or modification has been approved as hereinabove provided, and recorded in the Official Records of the County, California. A copy of any amendment or modification adopted pursuant to this Section shall be distributed by first-class mail postage prepaid or personal delivery to all of the Owners of Lots.

Section 5. Nonliability of Officials. To the fullest extent permitted by law, neither the Board, the Architectural Committee, any other committees of the Association or any Member of such Board or committee shall be liable to any Member of the Association for any damage, loss or prejudice suffered or claimed on account of any decision, approval or disapproval of plans or specifications (whether or not defective), course of action, act, omission, error, negligence or the like made in good faith within which such Board, committees or persons reasonably believed to be the scope of their duties.

Section 6. Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development of a residential community or tract and for the maintenance of the Properties. The Article and Section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretation or construction.

Section 7. Singular Includes Plural. Whenever the context of this Declaration requires same, the singular shall include the plural and the masculine shall include the feminine.

Section 8. Nuisance. The result of every act or omission, whereby any provision, condition, restriction, covenant, easement or reservation contained in this Declaration is violated in whole or in part, is hereby declared to be and constitutes a nuisance, and every remedy allowed by law or equity against a nuisance,

either public or private, shall be applicable against every such result, and may be exercised by the Architectural Committee, the Association, or any other land owner in the Properties. Such remedy shall be deemed cumulative and not exclusive.

Section 9. Conflicts. In case of any conflict between this Declaration and the Articles of Incorporation or Bylaws of the Association, this Declaration shall control.

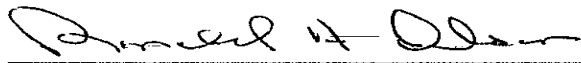
Section 10. Attorneys' Fees. In the event of any controversy or claim respecting this Declaration, or in connection with the enforcement of this Declaration, the prevailing parties shall be entitled, in addition to all expenses, costs and damages, to reasonable attorneys' fees, whether or not such controversy or claim is litigated and prosecuted to judgment.

Section 11. The Declaration. By acceptance of a deed or by acquiring any ownership interest in any of the real property included within this Declaration, each person or entity, for himself or itself, his heirs, personal representatives, successors, transferee and assigns, binds himself, his heirs, personal representatives, successors, transferee and assigns, to all of the provisions, restrictions, covenants, conditions, rules and regulations now or hereafter imposed by this Declaration and any amendments thereof. In addition, each such person by so doing thereby acknowledges that this Declaration sets forth a general scheme for the improvement and development of the real property covered hereby, and hereby evidences his intent that all the restrictions, conditions, covenants, rules and regulations contained herein shall run with the land and be binding on all subsequent and future Owners, grantees, purchasers, assignees, and transferee thereof. Furthermore, each such person fully understands and acknowledges that this Declaration shall be mutually beneficial, prohibitive and enforceable by the various subsequent and future Owners.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereto set its hand and seal as of the Effective Date.

LORIN FARR, L.C.,
a Utah limited liability company


By: HOUSING CORPORATION OF AMERICA,
Managing Member

By: 

Ronald H. Olson
President

STATE OF UTAH)
)
County of Salt Lake) ss

On the 2 day of November, 1994, personally appeared before me, RONALD H. OLSON, who acknowledged to me that he was the President of Housing Corporation of America, Managing Member of Lorin Farr, L.C.; and acting in such capacity was duly authorized to, and did execute the foregoing Declaration of Covenants, Conditions and Restrictions for Lorin Farr Homeowners' Association.

 NOTARY PUBLIC
Nicole N. Rasmussen
5368 Geary Street
Murray, Utah 84123
My Commission Expires
May 4, 1997
STATE OF UTAH

Nicole Rasmussen
Notary Public
Residing in Salt Lake County, Utah

My Commission Expires:

May 4, 1997

EXHIBIT "A"

02-077-0001 through 02-077-0024: *all*

All of Lots 1 through and including 24, Lorin Farr Subdivision,
Block 38, Plat C, Ogden City, Weber County, State of Utah.